



WILLIAMS MULLEN



Direct Dial: 804.420.6448  
pbliley@williamsmullen.com

July 9, 2010

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Circuit City Stores, Inc.  
ATTN: MICHAEL T. CHALIFOUX  
9950 Mayland Drive  
Richmond, VA 23223-1464

Daniel F. Blanks  
McGuire Woods  
World Trade Center  
101 West Main Street  
Suite 9000  
Norfolk, VA 23501-1655

RE: Circuit City Stores – CarMax Auto Super Stores, Raleigh, NC Location

Gentlemen:

I represent CarMax Auto Superstores (“CarMax”) in various aspects of the Circuit City bankruptcy. I wanted to make you aware of a title issue that has arisen in connection with the property that CarMax occupies in Raleigh, North Carolina. I understand Dan is the attorney representing Circuit City who may be responsible for resolving this issue. I am also sending this notice as required by the Separation Agreement referred to below.

When this store was developed by Circuit City as a CarMax store in 1994, Circuit City dedicated a portion of the property to be used as a street to be known as the “CarMax Trail” to the City of Raleigh. In the dedication plat, Circuit City reserved to itself a one foot strip running along the northern side of the property to be dedicated as “CarMax Trail”.

In 1998, the City of Raleigh abandoned the land which constituted “CarMax Trail”. Under North Carolina law when the right of way was abandoned, title to the property which was under the right of way reverted to the adjoining property owners, each owner being entitled to a portion of the abandoned right of way from the center line of the abandoned roadway to their respective properties. One-half of the road, therefore, joined with and became part of what is

*A Professional Corporation*

August 24, 2010

Page 2

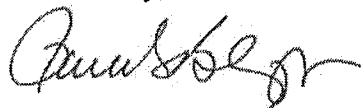
now the CarMax property, while the other half joined the one-foot strip that Circuit City reserved along the northern line of CarMax Trail.

CarMax and Circuit City entered into a detailed Separation Agreement dated May 21, 2002, which, among other things, involved the Raleigh location. Under the terms of that Agreement the parties intended that all assets located at the CarMax locations, including the Raleigh location, were to be conveyed to a CarMax company. Furthermore, the Agreement provides that in the event assets to which CarMax is entitled were not properly conveyed prior to the Separation Date as defined in the Separation Agreement, then upon written notice from CarMax "as soon as commercially practical thereafter" Circuit City shall transfer and deliver any such assets to CarMax without any consideration therefor.

Based upon the information furnished to me, it appears that the one foot sliver of property mentioned above, along with a portion of the abandoned "CarMax Trail" property is currently of record in the name of Circuit City. This parcel was certainly one of the assets intended to be conveyed to CarMax per the Separation Agreement and should, therefore, be conveyed as soon as possible. Please accept this letter as notice of this issue. As indicated above this letter should be considered written notice under the Separation Agreement that the real property mentioned above should have been transferred to CarMax but was not. After receipt of such notice under the agreement Circuit City is required to transfer the real property is question "as soon as commercially reasonable" without payment of any consideration.

I would appreciate it if you would review this and get back to me at your earliest convenience.

Sincerely,



Paul S. Bliley, Jr.

PSBjr/hlp

cc: Mark Selman  
Senior Vice President  
Cole Real Estate Operations

Mr. K. Douglass Moyers  
VP, Real Estate CarMax

August 24, 2010

Page 3

**CERTIFIED MAIL**

**RETURN RECEIPT REQUESTED**

McGuire Woods, LLP

ATTENTION: Clifford A. Cutchins, IV

901 East Cary Street

Richmond, VA 23219

**CERTIFIED MAIL**

**RETURN RECEIPT REQUESTED**

Simpson Thacher & Bartlett

ATTN: Raymond W. Wagner

425 Lexington Avenue

New York, New York 10017